

STAND. COM. REP. NO.

2550

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2202
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2202 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the refundable food/excise tax credit by updating its adjusted gross income threshold and tax credit amounts and tying future tax credit amounts to the Consumer Price Index.

Your Committee received testimony in support of this measure from Hawaii Appleseed Center for Law and Economic Justice, Hawaii Alliance for Community-Based Development, Goodwill Industries of Hawaii, Aloha United Way, Catholic Charities Hawaii, Partners in Care, ILWU Local 142, and six individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Taxation, Tax Foundation of Hawaii, and one individual.

Your Committee finds that for low-income people, the general excise tax imposes the greatest tax burden. The refundable food/excise tax credit provides a key means to promote financial stability, as well as a more equitable tax system. Your Committee notes, however, that the amount of the tax credit has not been adjusted for inflation since 2007.

Your Committee has amended this measure by:



- (1) Removing provisions that tie the tax credit amounts to the Consumer Price Index;
- (2) Changing the adjusted gross income threshold and tax credit amounts to unspecified figures;
- (3) Deleting the requirement that a person claiming the qualified exemption shall have physically resided in the State for more than nine months during the taxable year; and
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2202, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2202</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-25-14</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	13	0	0	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">Michelle N. Kidani</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes